

Federal Personnel Manual System**FPM Letter** 591-34Published in advance
of incorporation in FPM
chapter 591**RETAIN UNTIL SUPERSEDED****SUBJECT:** Nonforeign Area Cost of Living Allowances for Guam
and the State of Hawaii and Post Differentials for
eligible locations.

Supersedes FPM Letter 591-33

Heads of Departments and Independent Establishments:

Washington, D. C. 20415
September 4, 1979Introduction

The Office of Personnel Management has completed its review of the cost of living allowance rates paid to eligible employees on Guam and Hawaii and the review of the post differential paid to eligible employees with duty stations on certain Pacific Islands. These allowances are paid under 5 U.S.C. 5941, Executive Order 10,000, as amended, and part 591 of the Office's regulations. The new indexes and allowance rates appeared in FPM Letter 591-33 for all allowance areas in Hawaii except the Maui & Lanai and Molokai allowance areas. This letter publishes survey results for the Maui & Lanai and Molokai allowance areas and reprints the results for the other allowance areas.

Effective Date of Allowance Rates

The effective date of the new allowance rates shown for the Maui & Lanai and Molokai allowance areas is the first pay period that begins on or after September 9, 1979. The effective date for the 1979 allowance rates in the other allowance areas reprinted in this letter was August 26, 1979.

Post Differential Review (Reprinted from FPM Letter 591-33)

Based on a review of the post differential the Office has determined that no change is warranted in the rates currently authorized. The differential rates and locations are as follows:

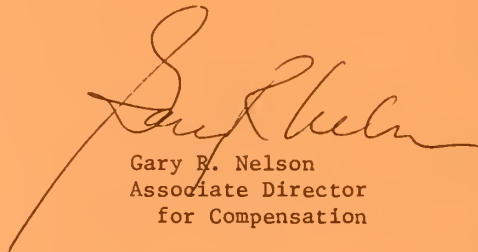
<u>Location</u>	<u>Differential Rate</u>
American Samoa	25%
Canton Island	25
Christmas Island	25
Johnston and Sand Islands	25
Midway Islands	25
Wake Island	25
Guam	20

General Information

Agencies are requested to inform employees in the areas concerned of the actions approved by OPM. When doing so you are urged to advise employees that the allowance rates are subject to change, up or down, after each review. It is also important that they understand that the law does not provide for an allowance to compensate for increases in the cost of living, as such. Rather, the law provides for an allowance to compensate for the differences in living costs between Washington, D.C., and the so-called nonforeign areas, when living costs are substantially higher than comparable costs in Washington, D.C.

Inquiries: Office of Allowances and Special Rates, Compensation Division, ext 28742 or 63-28742**Code:** 591, Allowances and Differentials Payable in Nonforeign Areas**Distribution:** FPM

Cost of living allowances and post differentials authorized for nonforeign areas are payable in accordance with part 591 of the Office's regulations.



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for Compensation

This attachment shows the cost of living allowance rates for each category for which an allowance has been authorized by OPM and shows definitions of allowance categories for use in determining employee eligibility for an allowance. Indexes and allowance rates for all allowance areas in Hawaii and Guam except the Maui & Lanai and Molokai allowance areas were first published in FPM Letter 591-33. They are repeated here for your convenience.

<u>GEOGRAPHIC COVERAGE</u>	<u>INDEX</u>	<u>ALLOWANCE RATE</u>
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State of Hawaii

ISLAND OF OAHU (Effective August 26, 1979)

<u>Allowance Category</u>	<u>1979 Index</u>	<u>Authorized Allowance Rate</u>
Local Retail/ Private Housing	112.2	12.5%
Local Retail/ Federal Housing	102.2	-0-
Commissary/PX/ Private Housing	97.9	-0-
Commissary/PX/ Federal Housing	87.9	-0-

ISLAND OF KAUAI (Effective August 26, 1979)

<u>Allowance Category</u>	<u>1979 Index</u>	<u>Authorized Allowance Rate</u>
Local Retail/ Private Housing	114.4	15.0%
Local Retail/ Federal Housing	107.6	7.5%
Commissary/PX/ Private Housing	113.8	15.0%
Commissary/PX/ Federal Housing	107.0	7.5%

ISLAND OF MOLOKAI (Effective September 9, 1979)

<u>Allowance Category</u>	<u>1979 Index</u>	<u>Authorized Allowance Rate</u>
Local Retail/ Private Housing	116.2	15.0%
Local Retail/ Federal Housing	107.2	7.5%
Commissary/PX/ Private Housing	None*	---
Commissary/PX/ Federal Housing	None*	---

ISLAND OF MAUI AND ISLAND OF LANAI (Effective September 9, 1979)

<u>Allowance Category</u>	<u>1979 Index</u>	<u>Authorized Allowance Rate</u>
Local Retail/ Private Housing	111.1	10.0%
Local Retail/ Federal Housing	105.8	5.0%
Commissary/PX/ Private Housing	None*	---
Commissary/PX/ Federal Housing	None*	---

ISLAND OF HAWAII (Effective August 26, 1979)

<u>Allowance Category</u>	<u>1979 Index</u>	<u>Authorized Allowance Rate</u>
Local Retail/ Private Housing	109.3	10.0%
Local Retail/ Federal Housing	102.1	-0-
Commissary/PX/ Private Housing	None*	---
Commissary/PX/ Federal Housing	None*	---

ISLAND OF GUAM (Effective August 26, 1979)

<u>Allowance Category</u>	<u>1979 Index</u>	<u>Authorized Allowance Rate</u>
Local Retail/ Private Housing	106.8	7.5%
Local Retail/ Federal Housing	104.0	-0-
Commissary/PX/ Private Housing	95.6	-0-
Commissary/PX/ Federal Housing	92.8	-0-

* The word "None" means that the allowance category does not exist in that allowance area and the appropriate local retail index and allowance rate applies depending on the type of housing occupied.

Definitions of Allowance Categories

The following definitions of the various allowance categories identified in the tables in this attachment shall be used in determining employee eligibility for the appropriate allowance rate:

<u>Allowance Category</u>	<u>Definition</u>
Local Retail/ Private Housing	This category includes those Federal employees who purchase goods and services from private retail establishments and who occupy housing units that are privately owned or rented. It also includes those employees who do not fall into one of the other allowance categories.
Local Retail/ Federal Housing	This category includes those Federal employees who purchase goods and services from private retail establishments and who occupy, as a condition of their Federal civilian employment, housing units that are owned or leased by a Federal agency.
Commissary/PX/ Private Housing	This category includes those Federal employees who have unlimited access to and who use military commissary and exchange facilities stemming from their Federal civilian employment and who occupy housing units that are privately owned or leased.
Commissary/PX/ Federal Housing	This category includes those Federal employees who have unlimited access to and who use military commissary and exchange facilities stemming from their Federal civilian employment and who occupy, as a condition of their Federal civilian employment, housing units that are owned or leased by a Federal agency.

Note: Eligibility for access to military commissary and exchange facilities is determined by the appropriate military department. If an employee is furnished commissary/exchange privileges for reasons associated with his or her Federal civilian employment, he or she will have an identification card that authorizes access to the facilities. Possession of such an identification card i.e., one issued by reason of his or her Federal civilian employment, is sufficient evidence that the employee uses the facilities. Similarly, the fact that an employee who has been authorized to occupy a Federally owned or leased housing unit as a condition of his or her Federal civilian employment actually occupies the unit is evidence that the unit is "used".

Agencies should adopt whatever methods are appropriate to obtain from employees the information needed to determine the applicable allowance category.

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